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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Proposed programme budget outline for the biennium 1996-1997

Report of the Secretary-General

I. INTRODUCTION

1. As required by General Assembly resolution 41/213 of 19 December 1986, annex I, the Secretary-General submits, in off-budget years, "an outline of the programme budget for the following biennium, which shall contain an indication of the following:

"(a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

"(b) Priorities, reflecting general trends of a broad sectoral nature;

"(c) Real growth, positive or negative, compared with the previous budget;

"(d) Size of the contingency fund expressed as a percentage of the overall level of resources."

The outline for the biennium 1996-1997 is hereby submitted.

2. The outline follows the same methodology as approved by the General Assembly in its resolution 47/213 of 23 December 1992. In the formulation of this outline, provision has been anticipated for intergovernmental decisions already taken this year and those expected to be taken which will have an effect

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* A/49/150.

on the level of appropriations to be approved by the General Assembly at its forty-ninth session. These include the expansion of the United Nations Observer Mission in South Africa (UNOMSA), the extension of the International Civilian Mission in Haiti (MICIVIH), questions relating to human rights for which the Secretary-General has been authorized to enter into commitments but for which the General Assembly has not yet appropriated funds. On the other hand, the scope, extent and financial implications, if any, of action that would be required as a result of consideration by the General Assembly of the outcome of special meetings and conferences scheduled to take place later in the year or in 1995 have not been anticipated.

3. Account has not been taken of the potential requirements in respect of future arrangements relating to the financing of the International Seabed Authority. It may be recalled in this connection that in the statement of programme budget implications of the draft resolution on the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (A/C.5/48/80), the Secretary-General had indicated that the expenses relating to the annual budget of the Seabed Authority should be treated outside the procedures related to the outline and to the contingency fund. No provision is made for the continuation of existing special missions beyond their current mandates. The unpredictable nature of such missions militates against making projections.

II. PRELIMINARY ESTIMATE OF RESOURCES TO ACCOMMODATE THE PROPOSED PROGRAMME OF ACTIVITIES DURING THE BIENNIUM

4. The preliminary estimate of resources for the biennium 1996-1997 amounts to $2,574 million. It represents a reduction of $6.2 million or 0.2 per cent compared to the initial appropriations for the biennium 1994-1995. When compared to the anticipated revised appropriations for 1994-1995 of $2,659.1 million, it represents a reduction of $85.1 million or 3.2 per cent. These estimates are expressed at initial 1994-1995 rates.

5. A summary of this projection is provided below.

	Millions of United States dollars
Initial appropriations 1994-1995	2 580.2
Projected implications of General Assembly decisions (forty-ninth session)	78.9
Projected revised appropriations 1994-1995	2 659.1
Add: Change	(85.1)
Preliminary estimates for the biennium 1996-1997	2 574.0

6. The projected reduction of $85.1 million is the result of a combination of factors. The most significant one pertains to missions relating to preventive

diplomacy and peacemaking for which the General Assembly has appropriated funds or has authorized the entering into commitments pending appropriations. UNOMSA has completed its mandate. The continuation of other missions such as the United Nations Mission in Haiti (UNMIH) beyond their current term cannot be predicted. Provision for such missions is, therefore, not made for 1996-1997 and this leads to a reduction in the preliminary estimate of resources amounting to $62.8 million. In addition, provision amounting to $11.1 million has been made in the current biennium for a number of special meetings and conferences. The continuation of such provision will not be required for 1996-1997. Capital expenditures in 1996-1997 are expected to be lower by $17.2 million than in the current biennium as the construction of conference facilities at the Economic Commission for Africa (ECA) is nearing completion.

7. On the other hand, net additional requirements amounting to $6.0 million are foreseen. They relate to the enhancement of the capacity of the Organization in the economic and social sectors, including provision for the United Nations New Agenda for the Development of Africa in the 1990s and the regional commissions, as well as in the human rights and humanitarian affairs areas, the reinforcement of the current infrastructure for backstopping peace-keeping operations and the strengthening of the internal oversight functions of the Organization.

8. The annex to the present report provides the indicative estimates of resources distributed among the various parts of the programme budget.

9. The Secretary-General has been concerned for some time about the disparity between what the international community expects of the Organization and the means available to it. The Secretary-General intends to maximize the output effectiveness of resources committed. The biennial programme budget will be subjected to the most intense scrutiny within the Secretariat and when submitted will clearly focus on what is to be delivered by way of programme output for the resources committed.

10. In this spirit, the budget outline has been prepared on a minimum-requirements basis after giving effect to anticipated benefits from restructuring, technological advances and other sources. However, new mandates to be legislated by the General Assembly will require additional resources. At the same time the Secretary-General would expect and welcome careful and thoughtful intergovernmental scrutiny of the proposed programme budget such as will assist him in achieving an efficient and cost-effective Organization.

11. As in the past, the preliminary estimates do not contain provision for inflation or for anticipated effects resulting from currency fluctuations in 1996-1997. The current procedure calls for the updating of the preliminary estimates towards the end of the regular session of the General Assembly on the basis of revised projections for inflation and new rates of exchange for the current biennium.

12. In the context of preparing the proposed programme budget, the Secretary-General intends to conduct a review designed to ascertain to what extent further efficiency gains from cost-effective measures can be realized without a negative impact on the fulfilment of mandates. While it is not possible to identify such

gains until feasibility can be confirmed in the budget submission, economies in the order of $15 million would not appear unrealistic. These have not been factored in in the preliminary estimates of $2,574 million for 1996-1997.

III. PRIORITIES REFLECTING GENERAL TRENDS OF A BROAD SECTORAL NATURE

13. In preparing the outline, special attention has been paid to political affairs, international and regional cooperation for development and human rights and humanitarian affairs, taking into account priorities identified in the medium-term plan and noted by the General Assembly in its resolution 45/253 of 21 December 1990 as well as general trends of a broad sectoral nature. In addition, the strengthening of the internal oversight functions of the Organization is deemed desirable.

IV. SIZE OF THE CONTINGENCY FUND

14. The size of the contingency fund, initially set at 0.75 per cent of the overall level of resources for the first outline and for all subsequent ones, has so far proved to be adequate to accommodate additional expenditures derived from legislative mandates not provided for in the proposed programme budget as defined in resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987. It is recommended that the level be maintained at 0.75 per cent for the biennium 1996-1997.

ANNEX

Preliminary estimates for the biennium 1996-1997

(Millions of United States dollars)

Expenditure by part	Initial 1994-1995 appropriation	Revised estimates and programme budget implications at the forty-ninth session of the General Assembly	Anticipated revised 1994-1995 appropriation	Preliminary estimates for the biennium 1996-1997				Increase (decrease) over initial appropriation	
				Resource changes		Total	Per cent of total	Amount	Per cent
				Amount	Per cent				
I. OVERALL POLICY-MAKING, DIRECTION AND COORDINATION	37.0	-	37.0	0.1	0.2	37.1	1.4	0.1	0.2
II. POLITICAL AFFAIRS	169.5	48.5	218.0	(58.4)	(26.8)	159.6	6.2	(9.9)	(5.8)
III. INTERNATIONAL JUSTICE AND LAW	50.8	(0.8)	50.0	(1.2)	(2.4)	48.8	1.9	(2.0)	(3.9)
IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT	296.7	(1.4)	295.3	0.2	0.1	295.3	11.5	(1.2)	(0.4)
V. REGIONAL COOPERATION FOR DEVELOPMENT	343.7	3.0	346.6	1.1	0.3	347.7	13.5	4.0	1.2
VI. HUMAN RIGHTS AND HUMANITARIAN AFFAIRS	120.9	7.1	128.1	1.4	1.1	129.5	5.0	8.6	7.1
VII. PUBLIC INFORMATION	133.2	(1.5)	131.7	(3.7)	(2.8)	128.0	5.0	(5.2)	(3.9)
VIII. COMMON SUPPORT SERVICES	876.9	12.0	888.9	(4.8)	(0.5)	884.1	34.3	7.2	0.8
IX. SPECIAL EXPENSES	58.0	0.8	58.8	1.2	2.0	60.0	2.3	2.0	3.4
X. STAFF ASSESSMENT	404.9	3.6	408.5	(0.2)	-	408.3	15.9	3.4	0.8
XI. CAPITAL EXPENDITURES	77.2	7.3	84.5	(23.3)	(27.6)	61.2	2.4	(16.0)	(20.7)
XII. OFFICE FOR INSPECTIONS AND INVESTIGATIONS	11.4	0.3	11.7	2.5	21.4	14.2	0.6	2.8	24.6
	2 580.2	78.9	2 659.1	(85.1)	(3.2)	2 574.0	100.0	(6.2)	(0.2)